



**United States Postal Service®**

# **Response to Independent Validation of USPS Service Performance Measurement Audit Design**

Audit Compliance Response

FY2021 Quarter 1

February 26, 2021

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## I. Summary

This report presents the Response of the United States Postal Service (USPS) to the Independent Validation of USPS Service Performance Measurement (SPM) Audit Design for Quarter 1 (Q1) of fiscal year 2021 (FY21).

## II. Mitigation Plan

USPS has evaluated the results of the Independent Validation of USPS SPM Audit Design for FY21 Q1 and has formulated mitigation plans for the seven measures that were partially achieved and the three measures that were not achieved. All other measures were achieved.

For FY21 Q1, several of the audit measures were impacted by the COVID-19 pandemic and related employee availability.

The subsequent sections describe, in further detail, the mitigation plans for measures 2, 5, 11, 15, 19, 20, 23, 25, 26, and 27.

### **Measure 2: First Mile - Carrier sampling weekly compliance rates should consistently exceed 80 percent for most districts.**

#### **Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** In FY21 Q1, 35 of 67 Districts achieved a compliance rate of 80% or better each week in the quarter; 20 Districts achieved 80% for most weeks in the quarter but not all, and 12 Districts fell short in attaining the target.

As mentioned in the response for FY20 Q4, the Postal Service had significant impacts due to the COVID-19 pandemic, which continued into FY21 Q1. During peak season, the Postal Service also had unprecedented increases in parcel volumes. These impacts contributed to results of the First Mile compliance rate.

USPS will continue to drive First Mile compliance rates through training for new carriers and retraining for carriers identified as requiring improvement. To help drive this indicator, reports in Informed Visibility (IV) are used by Postmasters, Managers, and Supervisors to assess levels of compliance throughout the quarter. Biweekly touchpoint meetings with the Areas/Districts will continue to help drive performance to target.

## **Measure 5: Last Mile - Carrier sampling weekly compliance rates should consistently exceed 80 percent for most districts.**

### **Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** In FY21 Q1, 47 of 67 Districts consistently achieved a compliance rate of 80% or better. Five Districts achieved 80% for most weeks in the quarter but not all, and 15 Districts fell short in attaining the target. The Postal Service continues to work towards carrier sampling compliance and will continue to conduct biweekly touchpoint meetings with the Area and District Coordinators to develop action plans for the Field.

Postal Service management has the means to review compliance reports to identify offices in need of improvement and provide training as needed. Through Informed Visibility, the Field can access instructional videos on performing First Mile sampling, service talks, posters, and instructions on how to access training materials.

## **Measure 11: Last Mile – Most districts should have a limited volume for which imputed results are used within the quarter.**

### **Quarter 1 Result: Not Achieved.**

**Mitigation Plan:** Quarter 1 continued to see limited First-Class flats volume in the network due to the reduction of volume from the COVID-19 pandemic. Obtaining enough volume to avoid imputation has been difficult, if not unrealistic. USPS anticipates that this audit measure will, therefore, remain difficult to achieve.

Forty-one Districts required the use of imputation rates due to limited First-Class flats volume. As volumes return to pre-COVID-19 levels, it is expected that fewer Districts will have the need for imputed data.

## **Measure 15: Reporting/Processing Duration – For each product measured, the on-time performance scores should have margins of error lower than the designed maximums for the quarter.**

### **Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** Because the volumes are low, the impact on the margins of error (MOE) is greater. The main contributor to the high MOE for FY21 Q1 may be related to the decrease in mail volume which resulted from the COVID-19 pandemic. As volumes return to pre-COVID-19 levels, it is expected that fewer Districts will have MOE higher than the designed maximums for the quarter. For FY21 Q1, 13 Districts were overserved with MOE higher than 1% for SPFC Letter and Cards. Typically, only 1 or 2 Districts have MOE higher than 1%. This measure has been achieved for all previous quarters and USPS anticipates achieving this measure after the pandemic.

## **Measure 19: First Mile - Most response rates should exceed 80% at a district level.**

### **Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** For FY21 Q1, 82% of Districts achieved compliance rate of 80% or better. Twelve Districts did not achieve the target: Chicago, Philadelphia Metro, Lakeland, Los Angeles, Santa Ana, Gateway, Albany, Atlanta, South Jersey, Baltimore, Long Island, and Greater Michigan.

The Postal Service will continue to analyze service performance data in IV and engage with offices where opportunities are identified.

## **Measure 20: First Mile - Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage.**

### **Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** The Postal Service has implemented biweekly touchpoint meetings with strategic focus on analyzing the data from the sampling dashboard. Each week, participants endeavor to improve performance by ensuring best practices learned from top-performing Districts are utilized in opportunity sites. In addition, Standard Work Instructions (SWI) will continue to be posted and maintained on communication boards in all retail and delivery units.

The Postal Service will continue to focus on training for all new employees and employees identified as requiring improvement.

## **Measure 23: Processing Duration – At least 70% of the volume is measured for each product.**

### **Quarter 1 Result: Not Achieved.**

**Mitigation Plan:** USPS continues to work towards increasing the volume of mail in measurement for each mail product. USPS is engaged in a comprehensive effort across Headquarters (HQ), Field Operations, and Mail Entry to develop mitigation plans for each exclusion reason:

- Biweekly/monthly meetings among HQ, Regional coordinators, and their Divisions to develop action plans for mailers with high exclusion rates.
- Collaboration between the HQ SPM team and Field Operations to reduce the amount of mail that falls out of measurement due to lack of Start-the-Clock.
- Review of the business rules for each exclusion reason to reduce the percentage of mail being excluded.

- Development of resolutions for each exclusion reason to reduce the percentage of mail being excluded.
- Utilization of the automated service performance measurement exclusions dashboard in IV by the Field Operations to identify ways to reduce the volume of mail that is excluded from measurement.
- Collaboration between the HQ SPM team and the Mailer Technical Advisory Council workgroup to reduce volume excluded from service performance measurement. This workgroup is in the process of developing an external tool for the industry so the mailers can have visibility on their mail that is being excluded and have the means to work with USPS to resolve identified issues causing the exclusions.

The characteristics and make-up of the High Density and Saturation Flats Destination Entry Two-Day product continue to present a challenge to the measure of its service performance because this product is non-Full-Service. USPS uses a different methodology to measure the service performance of this product because this is a non-Full-Service product. As part of this methodology, USPS measures only one major mailer for the High Density and Saturation Flats Destination Entry Two-Day product, which is the reason for less than 70% of volume in measurement.

The characteristics and make-up of Bound Printed Matter (BPM) flats mail continue to present a challenge when BPM is processed through flats sorter machines. When this occurs, the mail may be manually sorted to the 5-digit level and, therefore, lacks visibility because it was not scanned using mechanized equipment. To mitigate this issue, HQ continues to work with the field coordinators to develop processes that will enable increased visibility for BPM when it is manually sorted.

This measure has been partially achieved for previous quarters and USPS anticipates achieving or partially achieving this measure in the future.

## **Measure 25: Last Mile - Most response rates should exceed 80% at a district level.**

### **Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** In FY21 Q1, 78% of Districts achieved a score of 80% or better. Only 15 Districts fell short of reaching the target. The Postal Service's Delivery Operations team will continue to collaborate with the Service Performance Measurement (SPM) team to drive performance using IV. By utilizing compliance reports, SWIs and training, the USPS will improve sampling compliance.

In addition, service meetings will be conducted on an as-needed weekly basis to monitor, analyze and track SPM sampling compliance.

**Measure 26: Last Mile - Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage.**

**Quarter 1 Result: Partially Achieved.**

**Mitigation Plan:** For FY21 Q1, 12 of 15 Districts that were rated to meet a 60% threshold at the 3 Digit zip code level were 100% in compliance. There were 15 Districts that were not able to meet the 80% threshold mark. Management will continue to utilize available resources to monitor, analyze, and address compliance irregularities to drive Last Mile sampling performance.

The Postal Service will continue to focus on training for all new employees and employees identified as requiring improvement.

**Measure 27: Reporting/Processing Duration – Most processing facilities utilize the sort plan on at least 80% of the days in the quarter.**

**Quarter 1 Result: Not Achieved.**

**Mitigation Plan:** Three of the five International Service Center (ISC) facilities (60%) achieved the 80% target for FY21 Q1.

Investigation into the failures at the other two facilities discovered that, at one of the ISCs, international letters were not consistently released or volume available as arriving for that day from Customs and Border Protection (CBP) review every day. Coordination between CBP operations located at the ISC and the corresponding USPS Processing & Distribution Center (P&DC) will help ensure that all letters available are released from Customs each day and processed at the P&DC.

In addition, at another ISC, international letters were being processed on domestic origin mail sort program operations, which resulted in low utilization of the international Operation 848 sort program. This was corrected in February and is being monitored daily for compliance.